

REMARKS

By the present amendment, independent claims 3, 7, 9 and 10 have been amended to further clarify the concepts of the present invention. More particularly, these claims have been amended to incorporate the important feature that a step is formed between the upper surface of the semiconductor substrate and an upper surface of the first insulation. This amendment to the subject claims is supported by, among others, Fig. 3f of the subject drawings and the subject specification starting at page 11, line 19 and extending to page 12, line 27. Entry of these amendments is believed to be in order and such is respectfully requested.

As mentioned above, independent claims 3, 7, 9 and 10 have been amended to incorporate an important feature. According to the presently claimed invention, a step is formed between the upper surface of the semiconductor substrate and the upper surface of the first insulation when formation of the trenches is completed. Subsequent steps including etching and patterning a conductive film formed on the semiconductor substrate to form circuit elements, such as a gate electrode 31 shown in Fig. 2, are performed. Since the upper surface of the first insulation slightly projects from the upper surface of the semiconductor substrate such as shown in Fig. 3f, the upper surface of the first insulation is substantially flush with the

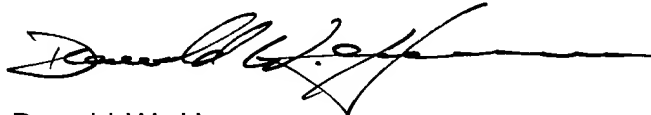
semiconductor substrate when performing the subsequent steps. It is submitted that the patent to Zhang et al neither teaches or suggests, among other things, forming the step as described above and as presently claimed.

In view of the foregoing, it is submitted that the subject application is now in condition for allowance and early notice to that effect is earnestly solicited.

In the event this paper is not timely filed, the undersigned hereby petitions for an appropriate extension of time. The fee for this extension may be charged to Deposit Account No. 01-2340, along with any other additional fees which may be required with respect to this paper.

Respectfully submitted,

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